

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA

Plaintiff,

vs.

**DAIRY FARMERS OF AMERICA,
et al.,**

Defendants.

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Civil Action No. 00-1663

STIPULATION AND ORDER

It is stipulated by and between the undersigned parties, by their respective attorneys, as follows:

(1) The Court has jurisdiction over the subject matter of this action and over each of the parties hereto, and venue of this action is proper in the Eastern District of Pennsylvania.

(2) The parties stipulate that a Final Judgment in the form hereto attached may be filed and entered by the Court, upon the motion of any party or upon the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act (15 U.S.C. § 16), and without further notice to any party or other proceedings, provided that the Plaintiff has not withdrawn its consent, which it may do at any time before the entry of the proposed Final Judgment by serving notice thereof on Defendants and by filing that notice with the Court.

(3) Defendants shall (a) act in accordance with, abide by and comply with the provisions of the proposed Final Judgment pending entry of the Final Judgment, (b) from the date of the filing of this Stipulation, comply with all the terms and provisions of the proposed Final Judgment as though the same were in full force and effect as an order of the Court, and (c) continue to comply with those terms and provisions until superseded by an Order of this Court.

(4) This Stipulation shall apply with equal force and effect to any amended proposed Final Judgment agreed upon in writing by the parties and submitted to the Court.

(5) Defendants waive any claim that the Capper-Volstead Act, 7 U.S.C. § 291, constitutes a defense to any breach or violation of this Stipulation and Order or to any violation of any provision of the Final Judgment once entered by the Court.

(6) In the event the Plaintiff withdraws its consent, as provided in Paragraph 2 above, or if the proposed Final Judgment is not entered pursuant to this Stipulation, or the time has expired for all appeals of any Court ruling declining entry of the proposed Final Judgment, this Stipulation shall have no binding effect on Plaintiff whatsoever, and the making of this Stipulation shall be without prejudice to Plaintiff in this or any other proceeding. Regardless of whether Plaintiff withdraws its consent, Defendants shall continue to abide by this Stipulation and Order until such time as it is superceded by Order of the Court.

(7) Defendants represent that the conduct ordered in the proposed Final Judgment can and will be performed, and that Defendants will raise no claim of hardship or difficulty as grounds for asking the Court to modify any of the provisions contained therein.

(8) Upon entry of this Stipulation as an Order of the Court, and consistent with this Stipulation, insofar as the Defendants were enjoined by Orders of the Court on March 31,

2000, April 4, 2000, and April 17, 2000, from consummation of their proposed transaction and from bringing their operations under common ownership and control, this Stipulation and Order, and the incorporated terms of the proposed Final Judgment shall supersede any inconsistent provisions of those earlier orders.

(9) Unless otherwise indicated, from the date of filing of this proposed Stipulation and Order with the Court and until consummation of the transaction, Societe De Diffusion Internationale Agro-Alimentaire and SODIAAL North America Corporation shall:

a. Preserve, maintain, and operate the SODIAAL North America Corporation butter assets as an independent competitor with management, production, sales and operations held entirely separate, distinct and apart from those of Dairy Farmers of America (“DFA”);

b. Take all steps reasonably necessary to ensure that the SODIAAL North America Corporation butter assets will be maintained and operated as an independent, ongoing, economically viable and active competitor in the markets alleged in the Complaint; that the management of SODIAAL North America Corporation will not be influenced by DFA, and that the books, records, competitively sensitive sales, marketing and pricing information, and decision-making associated with the SODIAAL North America Corporation butter assets will be kept separate and apart from the operations of DFA;

c. Use all reasonable efforts to maintain the operations of the SODIAAL North America Corporation butter assets, and maintain at current or previously approved levels, whichever are higher, internal funding, promotional, advertising, sales, technical assistance, marketing and merchandising support for the SODIAAL North America Corporation

butter assets;

d. Provide and maintain sufficient working capital to maintain the SODIAAL North America Corporation butter assets as an economically viable, ongoing business;

e. Provide and maintain sufficient lines and sources of credit to maintain the SODIAAL North America Corporation butter assets as an economically viable, ongoing business;

f. Take all steps reasonably necessary to ensure that the SODIAAL North America Corporation butter assets are fully maintained in operable condition at no lower than their current rated capacity levels, and to maintain and adhere to normal repair and maintenance schedules for the SODIAAL North America Corporation butter assets; and,

g. Cause the management of the SODIAAL North America Corporation butter assets to maintain, in accordance with sound accounting principles, separate, true, accurate and complete financial ledgers, books and records that report, on a periodic basis, such as the last business day of every month, consistent with past practices, the assets, liabilities, expenses, revenues, income, profit and loss of the SODIAAL North America Corporation butter assets.

Respectfully submitted,

_____/s/_____
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SO ORDERED:

This ____ day of May, 2000

United States District Judge